



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

July 13, 2007

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Executive Officer

Board of Supervisors  
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## **PROGRESS REPORT ON ACTIONS RELATED TO THE MARTIN LUTHER KING, JR. - HARBOR HOSPITAL CONTINGENCY PLAN (ITEM NO. 75, AGENDA OF JULY 17, 2007)**

Item No. 75 on your Board's July 17, 2007 agenda is our first progress report related to the contingency plan for continuation of alternative emergency and inpatient services should Martin Luther King, Jr. – Harbor Hospital (MLK-H) fail to meet the Centers for Medicare and Medicaid Services' (CMS) conditions of participation or the hospital is otherwise subject to closure.

On June 26, 2007, your Board endorsed, in principle, the Department of Health Services' (DHS) contingency plan and directed me, with the assistance of the Director of Health Services (DHS or Department), to immediately take all actions, as specified in your Board order and necessary to prepare DHS to operationalize the contingency plan. As requested by your Board, this first progress report provides an overview of the Department's progress in the first three weeks following your Board's action.

### **IMPACTED EMS PROVIDERS AND PRIVATE 911 HOSPITALS**

The Department's Emergency Medical Services (EMS) Agency has met with the three EMS provider agencies that would be affected by the closure of MLK-H: Los Angeles County, Los Angeles City and Compton Fire Departments. Meetings have been held with these providers and an analysis of provider capabilities, traffic patterns, hospital access, and projected patient distribution has been completed. Recommended hospital destinations and services area maps for 911 patients in the geographic area surrounding MLK-H have been developed. EMS providers discussed the most efficient and timely approach to transporting patients to hospitals, and agreed that this approach represented the most effective way to get patients to emergency departments on a timely basis.

An initial meeting was held on July 5, 2007, with seven "impacted" private hospitals surrounding MLK-H to present the recommended 911 patient destination plan as well as contracting parameters for admitted 911 patients from the affected area. The impacted hospitals identified at this time are: California Hospital Medical Center, Centinela Freeman Regional Medical Center-Centinela Campus, Downey Regional Medical Center, Kaiser Permanente Bellflower, Memorial Hospital of Gardena, St. Francis Medical Center and White Memorial Medical Center. An "Impacted Hospital" contract, largely based on the existing MetroCare contracts, is under development, which will reimburse these hospitals for their costs of caring for County-responsible residents who are transported via 911 ambulance to the impacted hospitals, must be admitted, and cannot be safely transferred from that hospital to one of the County-operated or MetroCare contracted hospitals.

Finally, the EMS Agency has provided all trauma centers with written notice of intent to revise some trauma catchment areas as part of a system modification plan. In this plan, boundaries for California Medical Center and St. Francis Medical Center will be altered slightly to reduce the trauma workload at these two impacted hospitals. Trauma patients from these areas will be redirected to LAC+USC Medical Center. Additional changes will affect other hospitals outside the immediate MLK-H area. The goal of these changes is to balance the trauma volume across the County.

All of the above changes will provide a reasonable interim solution for the care of patients who will not have access to the MLK-H emergency department (ED). It is not a viable long term solution. The plan contemplates the re-opening of MLK-H and its ED as the long term solution.

### **MULTI-SERVICE AMBULATORY CARE CENTER (MACC)**

As indicated in the contingency plan, the current level of outpatient services, projected to be more than 180,000 visits per year, will continue to operate onsite at the MLK-H facility. DHS has retained a consultant, Health Management Associates (HMA), to update and assess projected clinic staffing and budget plans with DHS staff.

A major component of the MACC will be the urgent care center (UCC) to handle unscheduled, non-urgent, walk-in patients. An expedited process, including a draft Request for Information (RFI) currently under review by County Counsel, has been developed to identify a contractor to operate the UCC. The UCC is handling nearly 12,000 of the current 47,000 annual emergency visits and is expected to grow when current ED walk-in patients realize it is available.

It is essential that the community understands that the UCC is NOT an emergency room with the full capabilities of an inpatient hospital, including 24 hour coverage, extensive ancillary support and in-house surgery and obstetrics support. Therefore, an extensive education program will be developed regarding the entire MACC facility (see Bilingual

Community Education Program details below) with emphasis on the UCC to include capabilities and hours of operation. Initially, the UCC will be operated 16 hours per day, seven days per week, covering projected peak day and evening hours to ensure the broadest coverage for non-urgent care while not holding the UCC out as an emergency room.

### **LICENSE SUSPENSION CLARIFICATIONS**

As requested in the June 26, 2007 motion, County Counsel will provide, in a separate memorandum to your Board, an analysis clarifying differences between voluntary and involuntary hospital license suspension and measures that can be taken to maintain the grandfather provisions associated with state seismic and building codes.

### **BED CAPACITY AT OTHER COUNTY FACILITIES/CONTRACTED PRIVATE HOSPITALS**

With the implementation of the MetroCare Plan, the Department's goal has been to ensure that an equal number of inpatient beds be maintained in other County facilities or through the use of contracted private hospital beds to offset any reduction in the 120 beds operated at MLK effective September 2006.

Since that time, Rancho Los Amigos National Rehabilitation Center (Rancho) has already expanded Medical-Surgical capability by 30 beds through the approved MetroCare Plan. Actions are currently being taken to add an additional 12 ICU/step-down beds and 30 Medical/Surgical beds which will bring the total additional capacity of Rancho to 72 inpatient beds, with the ability to add additional inpatient beds if the patient volume warrants. Rancho is developing its staffing plan which will require use of the current hospitalist/intensivist contract being used to provide that coverage at MLK-H.

Harbor-UCLA Medical Center (H/UCLA) expanded neonatal and pediatric intensive care and acute inpatient pediatrics to increasing capacity by an additional 26 inpatient beds and is developing an additional 20 Medical/Surgical bed capacity for a total expansion of 46 beds. Staffing, space and financial plans for both hospital expansions have been developed and are being discussed with the CEO's office. At this time, we are not planning on using beds at Olive View-UCLA Medical Center and are using LAC+USC Medical Center on a very limited basis for complex cases, like neurosurgery.

To augment the expansion of County facilities, the existing MetroCare contracts will continue to be utilized on an as needed basis, until such time as the expansions are complete at the alternate County facilities or MLK-H is reopened. St. Vincent's Medical Center, which has accepted over 75 percent of the MLK-H transfers, has agreed to continue supporting the County through this MetroCare contract.

The hospital's administration has indicated that it has the ability to expand its transfer capacity, if necessary. The remaining three MetroCare contracts will also be used as needed.

## **BILINGUAL COMMUNITY EDUCATION PROGRAM**

It will be imperative to inform patients and area residents, as quickly as possible, of emergency and urgent care options during the interim closure period. The Department will be prepared to immediately educate the community about its immediate health care options through news releases to key community/regional newspapers; newspaper advertisements to key area dailies/weeklies; Public Service Announcements (PSAs) through local radio stations; bilingual fliers (with area maps); exterior/interior signage in high traffic hospital entry and exit points; direct mail postcards sent to all current MLK patients and residents in zip codes adjacent to MLK-H; service change information on the hospital's message track and County's toll-free 2-1-1 information line and DHS website.

## **HUMAN RESOURCES PLAN**

DHS is updating the roster of assigned employees to MLK-H and identifying the individuals needed to staff the MACC and Urgent Care Center (UCC) as well as to operate the hospital building. Original staffing plans for the MACC projected a staffing need in the 600-650 range which is being validated by the HMA study referenced above. It is anticipated that current contract staff providing environmental services and food services will remain at the MLK-H site. All other contract staff not needed will be released or reassigned.

DHS plans to open hiring for the new beds at Rancho and H-UCLA so they can interview and staff on a timely basis as soon as this plan is put into effect. MLK-H staff with satisfactory performance evaluations may apply for these positions along with other qualified County or outside individuals. Once the staffing needs for these new bed expansions have been met, all persons not needed for the MACC, UCC or facility operations will be reassigned (mitigated) to existing vacant, budgeted, and funded positions in DHS facilities. For countywide classifications, e.g., intermediate typist clerk, the CEO will ask other County departments to identify vacant budgeted positions for staffing mitigation. In the early MLK staffing mitigation prior to March 1, DHS worked closely with all of its other facilities. This approach was successfully implemented as compared to utilizing a departmental reduction in force (cascade) that disrupts current facility staffing assignments.

We intend to work closely with the key employee union representatives to brief them on our plan, seek their input and cooperation in addressing this difficult transition. At every step of the way, since last September, we have had the cooperation and support of our union partners and we expect that to continue even under these challenging circumstances. It is

our goal to accomplish the HR part of the major restructuring with the least impact on our workforce while not causing disruption in the other facilities and impact ability to deliver healthcare.

## **SOLICITATION FOR PRIVATE OPERATOR**

A key part of this plan is identifying and developing an agreement with a non-County operator to take over the operation of MLK-H on a timely basis. This is critical since DHS believes that the solutions identified in this contingency plan are only viable on a short term basis and that there is a compelling need for the reopening of the ED and inpatient hospital.

The CEO and DHS have identified a consultant, Hammes Company, who is already working with the County to develop the required solicitation of interest documents, receive and evaluate them, and recommend to potential operators for MLK-H. Hammes Company provides these services to healthcare organizations across the country and is currently engaged by the County to perform the search for a private operator for Rancho.

The contractor's Statement of Work anticipates two phases. Phase One, expected to take three months, entails the development of a Request for Solutions, intended to permit interested operators to develop options to present to the County for reopening and operating the hospital. Phase Two, which could take up to 12 months, would include the completion of any due diligence on the potential operator and assisting the County in completing the negotiation, finalizing the agreement, and implementing the agreement.

The consultant has advised that the County should plan on a hospital closure of at least 12 months to complete this process.

## **TIMELINE**

A Planned Closure, which is a closure that would take place in an organized manner, is expected to take 60 - 90 days. During this time period, the following will take place (estimated):

- Hold Beilenson Hearing (15 days)
- Hold EMS Hearing, as applicable (45 days)
- Implement Impacted Hospital contracts (30 days)
- Redirect 911 traffic (30 days)
- Expand beds at Rancho and H-UCLA (45 days)
- Close ED (90 days)
- Transfer out all inpatients to County and MetroCare hospitals as described above (90 - 95 days)
- Close inpatient services (95 days)

- Implement Human Resources Plan (30 – 90 days, progressively)
- Begin solicitation for private hospital operator (30 days)

An Unscheduled Closure, which would take in the same manner as indicated above, but in an escalated time frame, may be initiated immediately at any point during the 60 – 90 day Planned Closure period. This would be initiated upon identification of patient safety issues associated with staffing. If necessary, the rotational 911 transport of patients among hospitals in a 12 mile radius of MLK-H (as described in the MLK-H Contingency Plan) may be utilized on a temporary basis until the impacted hospitals contracts are implemented.

## **FISCAL IMPACT ANALYSIS**

One of the key elements of the MLK-Harbor contingency plan is the conversion of MLK-H from a hospital to a MACC with urgent care capability. As indicated above, DHS has retained a consultant, Health Management Associates (HMA), to assist the Department in developing the staffing plan for the MACC. Both clinical and financial staff will be working with the consultant to determine items and the associated costs and revenues. Upon completion of the staffing plan, the CEO and Department will have the necessary information to estimate the financial costs associated with MACC and to forecast the impact of the contingency plan on the DHS fiscal forecast. Preliminary estimates by the Department continue to indicate that the costs of providing alternative inpatient and ED services can be covered by the current County subsidy to MLK-H.

If you have any questions or need additional information, please contact Sheila Shima of my staff at (213) 974-1160.

DEJ: SRH:SAS:lbm

c:     Executive Officer, Board of Supervisors  
          County Counsel  
          Director of Health Services  
          Director of Personnel